

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24/25
Responses to the Department's Sixth Set of Information Requests

Request No. DTE 6-35 (Gas):

Refer to Exh. MHC-1 at 20. Identify in detail the factors leading to an increase in the billing to collections category from the 25.9 days reported in D.T.E 98-51 to the 49.8 days reported in the current lead-lag study.

Response:

FG&E believes the principal factors affecting the number of lead-lag days in each study relates to the specific methodology and accuracy factor utilized in each study. In D.T.E. 98-51 the billing to collection category was calculated by summing the number of days variance for each account and dividing by the number of billed accounts. All accounts for which the lag was more than two weeks were excluded from this calculation. The specific payment detail was not kept in the legacy billing system. As a result, data for January through May 1997 was estimated. In place of the actual monthly averages for those months the average for June through December, 1997 were used. In the current Study (D.T.E. 02-24) the billing to collection category was calculated by dividing accounts receivable sales by daily gas revenues. The gas sales revenues are firm metered sales only and do not include either interruptible or transportation revenues.

Please refer to FG&E's response in DTE 6-34 and the related attachment for further details. In addition, on page 2, Note 3 of that attachment there is a more detailed description of the methodology used with regard to the billing to collection category used in DTE 98-51 with the actual calculation on page 5 of the attachment. In the current Study (Exh.MHC-1), under Summary Results the methodology is further described in Section I. C and the calculation is contained in the accompanying schedule "Number of Days Lag In Billing To Collection".

Person Responsible: Mark H. Collin